

**Department of Finance**  
**FY 05-06 Goal Reporting**

**Narrative**

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**FIN1:** *By June 2007, in order to meet the increasing demands for governmental accountability and improve our customers ability to manage and fully report results, we will develop financial reporting procedures for the MfR and variance reports and provide training to departments to ensure a complete understanding of the processes, procedures and utilization of the reporting models currently available on Business Objects and Report Web*

**Quarter 1:** We developed an outline of the Budget (Presence) Control implementation project and related activities that need to occur in order for this process to be set up in the Advantage Financial Reporting System. Implementation is scheduled for January 1, 2006.

Monthly budget to actual reporting has been discussed with OMB staff. We have met jointly with OMB to discuss providing a Variance Report from Business Objects to all of the departments with budget to actual data and at some point linking MfR and BfR data to this Variance Report. A template was built in Business Objects and we have produced a report with the budget to actual information.

During the first quarter the Department of Finance has taken great strides in preparing training programs for our "Core" functions for our County-wide Certification training program.

**Quarter 2:** On-going communications have taken place between OMB and DOF to develop the monthly Variance Report in the Business Objects environment. We are currently working to define all the elements necessary for departmental commentary. A template was built in Business Objects and we have produced a report with the budget to actual information for the Executive Level staff.

We are currently working with OMB on a group of Departmental Variance Reports in Business Objects. Ten different templates of departmental variance data have been developed for Finance and OMB to review and roll out in a joint effort to all County Departments by September 30, 2006.

Upon initial testing of the Budget Control feature in Advantage, it was decided to only implement this for one department as of January 1, 2006. A roll out and implementation plan will be developed with an implementation team made up of OCIO, OMB and Finance individuals. Implementation of Budget Controls will occur on July 1, 2006 for the new fiscal year.

**Quarter 3:** Work has been ongoing in the development and roll out of Business Objects Departmental Variance Reports. A series of eight Business Objects reports have been established and will be available for departmental review. Additionally, an Executive Variance Report has been developed and distributed to OMB and Finance Management teams. Reports have also been developed between the CIO's office and DOF to assist in review and management of vendor registration.

**Quarter 4:** Executive Variance Reports have been established and are distributed to OMB and Finance Management Teams. Departmental Variance reports have also been established and are available for pilot program departments.

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**FIN2:** *We will obtain and maintain a satisfaction rating of 6.0 or above for Overall Satisfaction within our department as measured annually by the employee satisfaction survey by the end of the fiscal year 2006.*

**Quarter 1:** To ensure a satisfaction rating of 6.0 within the department, management established a committee to coordinate staff input and address staff needs and/or issues. This committee implemented a suggestion box program to encourage staff to share ideas. In addition to ensure communication/cross-training/information sharing and continued growth opportunities, new employees have a scheduled time to "meet and greet" all of the DOF staff. The program was implemented by the committee and has been well received. Feedback from the initial individuals was very positive. The "meet and greet" will be offered to all DOF staff in the Quarter 2.

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A survey was conducted by the committee to determine the interest in cross-training, mentoring and involvement in additional committees. These results will be utilized by Management to initiate training and mentoring initiatives.

Market Study: A market study has been initiated for the Department of Finance. In addition, the DOF is currently in the process of preparing training programs for our "Core" functions for our County-wide training program. All DOF staff will be required to attend the appropriate training as part of their performance plans. The issue of Cross-training and continued growth opportunities for Finance employees has been discussed in our management meetings. As a result, performance plans are being revisited to include cross-training within functional units. Managers are ensuring communications with staff by holding regular staff meetings, communicating current recruitments via e-mail, and including staff at all levels in the creation of DOF certification training program training sessions.

**Quarter 2:** The DOF has submitted revised job descriptions for all major job functions within the department. A market study was completed on the Collections staff and adjustments made where indicated. In addition, a complete market study was completed on the Public Works Right of Way positions and the DOF requested that the Real Estate positions be included in that study as the positions functions are relatively identical. It raises issues with staff that selected positions have undergone the market study and others have not. This may affect our employee satisfaction survey which is being conducted in March. Although a specific request was submitted regarding a market study, it was communicated to the DOF that a decision was made to include the DOF request with the County-wide study.

**Quarter 3:** The Real Estate positions within the Department of Finance were adjusted as a result of the market study information associated with Public Works Right of Way positions. In addition, job descriptions were submitted to Total Compensation for the remaining positions to be included as part of the Administrative Market Study.

**Quarter 4:** The DOF received an overall satisfaction rating of 5.88% for the current year. The DOF has been experiencing a great deal of turnover and vacancies which has resulted in additional workload on the existing staff. Although the DOF activity recruits, we have not been successful with the primary reason being low salary. To mitigate these issues, the DOF has been included in the 2nd phase of the Administrative Market Study.

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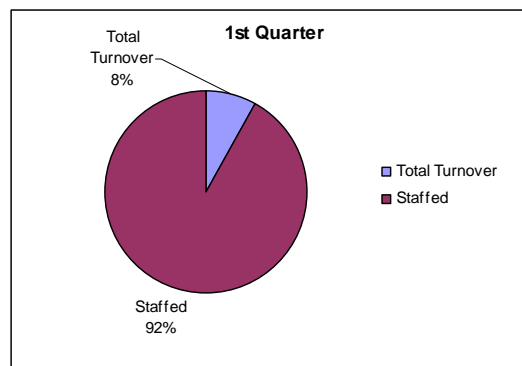
**FIN3:** *We will obtain and maintain a turnover rate of less than 10% for all staff as measured annually by the Department of Finance utilizing information provided by the PeopleSoft system by June 2008.*

**Quarter 1:** To reduce turnover within the department, management established a committee to coordinate staff input and address staff needs. This committee implemented a suggestion box program to encourage staff to share ideas. In addition to ensure communication/cross-training/information sharing and continued growth opportunities, new employees have a scheduled time to "meet and greet" all of the DOF staff. The program was implemented by the committee and has been well received. Feedback from the initial individuals was very positive. The "meet and greet" will be offered to all DOF staff in the Quarter 2.

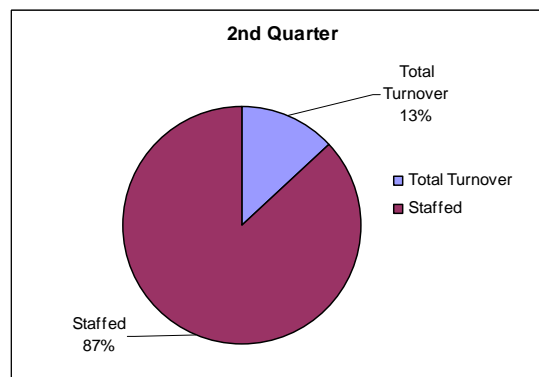
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In addition, the DOF is currently in the process of preparing training programs for our “Core” functions for our County-wide training program. All DOF staff will be required to attend the appropriate training as part of their performance plans. The issue of Cross-training and continued growth opportunities for Finance employees has been discussed in our management meetings. As a result, performance plans are being revisited to include cross-training within functional units. Managers are ensuring communications with staff by holding regular staff meetings, communicating current recruitments via e-mail, and including staff at all levels in the creation of DOF certification training program training sessions.

**Market Study:** A market study has been initiated for the Department of Finance. It has been apparent that although the DOF management team has taken proactive steps meet the turnover rate of less than 10%, it is still difficult as there is no formal career ladder for staff to utilize within a department. Therefore, staff applies for positions within Maricopa County and outside the County for an increase in pay. The County could reduce unnecessary hiring, training, and paper-processing costs if a formal career ladder and associated funding were in place for positions within our department. Team Communication - Physical realignment of staff to ensure team communication. The DOF has been working with Facilities Management in the design of an efficient floor plan to accommodate additional staff. The department will be utilizing space more effectively and have a more effective alignment of staff to ensure team communication. The build-out is anticipated in January. The plans for the build-out have been regularly communicated with staff to ensure a smooth transition. Their comments and concerns have been taken into consideration.

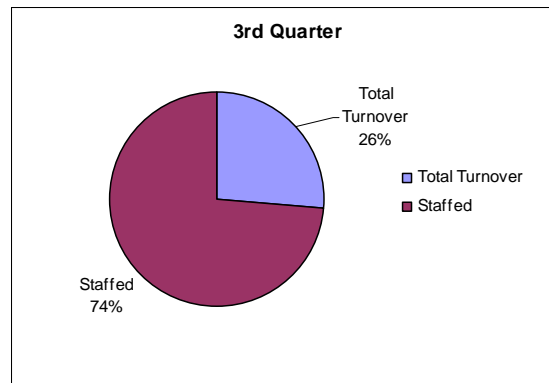


**Quarter 2:** The DOF is continuing to prepare training programs and involving the staff in the process. Several internal staff members are scheduled to attend the first in the series of accounting courses (Accounting 101) being offered by the DOF. The Market Study has been delayed since the decision was made to include the DOF market study in with the county-wide market study. The DOF Management Team has consistently communicated the steps involved in the build out of the floor space. The first set of moves will take place in the 3<sup>rd</sup> Quarter.

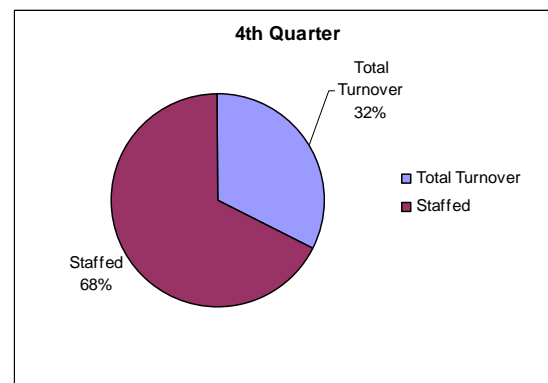


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**Quarter 3:** The Department of Finance is awaiting the results of the market study which should provide some assistance regarding the turnover rate. The 3<sup>rd</sup> Quarter Turnover Rates are demonstrated below:



**Quarter 4:** While the Department of Finance awaits the results of the market study, management is actively committed to increasing employee satisfaction and improving retention. The fourth quarter of the year resulted in the highest turnover rates that the department has experienced. Turnover rate including transfers within the County = 32.43%; Turnover rate excluding transfers = 29.73%. The majority of the turnover is evident in the non-exempt employee classification. The Department of Finance is awaiting the results of the market study which should provide some assistance regarding the turnover rate. The 4th Quarter Turnover Rates are demonstrated below:



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**FIN4:** We will develop and implement new strategies to increase collections by 20% each year to reach a fiscal year 2009 collected amount of \$5,000,000.

**Quarter 1:** The Collections Unit has collected \$876,805.11 during the first quarter of FY06. We are currently \$52,519 over our goal. Met with Animal Care & Control to assess their needs In addition, met with County Attorney to understand their role in the current county uncollectible debt policy.

**Quarter 2:** The Collections Unit has collected \$855,201.63 during the second quarter of FY06, for a midyear total of \$1,732,006.72. We are currently \$85,234.99 over our goal. The first meeting is scheduled for January to meet with ASU and participate in their Student Consultation Program. They will assess the needs of all County Collections and justify whether or not County Collections should be centralized.

**Quarter 3:** The Collections unit has absorbed additional accounts from the Clerk of the Superior Court and met with the Superior Court Law Library to assess their needs.

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**Quarter 4:** For FY06, the Collections Unit has collected \$3,798,033.75 which is 15.32% over the fiscal year goal of \$3,293,543.47. We are also talking with Animal Care and Control to determine if we should either help them to enhance their collections or to take over the collection activity for them. The ASU Student Consultation Team finished their project and did not come to any determination on way or the other. They did recommend another team continue the project.

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**FIN5:** *By July 2007, we will generate \$3,673,000 in revenue from the sale of surplus real estate assets.*

**Quarter 1:** Successfully auctioned the surplus Rio Rico property and generated \$75,240 toward our revenue goal of \$3,673,000.

**Quarter 2:** Obtained updated appraisals for the North Valley Justice Court facility and the Scottsdale Justice Court facility in preparation for public auction advertisement. Also obtained Phase 1 Environmental Reports for both Justice Court facilities.

**Quarter 3:** Began legal notice for a public auction for the Scottsdale Justice Court property.

**Quarter 4:** The Scottsdale Justice Court property is being removed from the surplus property list. This property is slated to be renovated and used by Adult Probation. Removal of this property from the excess property list will reduce the revenue goal to \$615,000.

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**FIN6:** *We will refine, implement and complete a strategic plan to utilize all residual 2001 Lease Revenue Bond proceeds on specifically identified Board approved projects and report the financial activity by June 2007.*

**Quarter 1:** To ensure timely and effective utilization of all residual proceeds the Department of Finance created a report entitled "Fund 435 Reconciliation" which is currently being produced and distributed to management. In addition, the Department of Finance has created a detailed monthly report that delineates the specific projects that were funded by the 2001 Lease Revenue Bond proceeds.

**Quarter 2:** The report is continuing to be prepared and utilized to ensure the effective utilization of all residual proceeds.

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**FIN7:** *By June 2006, we will reengineer the Department of Finance to develop a stronger business structure, ensure the level of staffing necessary to meet the increasing demands of governmental accountability and the increasing demands for governmental services from a technical and financial perspective, and have in place a competitive salary structure to improve recruitment and retention of qualified professional level staff.*

**Quarter 1:** The Department of Finance initiated the process for a market study. The Collections Unit has been completed as a result of a market study completed for the court system. Managers continue to review staff job duties and functions and make adjustments as necessary to ensure effective utilization of staff resources.

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**Quarter 2:** The Market Study has been delayed since the decision was made to include the DOF market study in with the county-wide market study. The DOF is experiencing on-going difficulty in recruiting qualified Financial Business Analysts and the Accounts Payable - Financial Supervisor position. The inequalities in pay continue to bring down staff moral and inevitably the DOF retention rate will suffer.

**Quarter 3:** No change from previous quarter.

**Quarter 4:** Departmental realignment has occurred. Additionally the department has been successful in working with Total Compensation and OMB to increase the number of professional level accounting positions available. The DOF is awaiting the result of the market study to improvement the recruitment and retention of qualified staff. Please note the turnover rate offered in FIN3.

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**FIN8:** *By June 2007, we will implement an Electronic Document Management Program to reduce off-site storage costs, utilize existing floor space more effectively, and create a paperless document retrieval system.*

**Quarter 1:** An IT Recommendation – Business Plan has been drafted. It includes opportunities and recommendations from the DOF perspective. The initial listing of documents has been compiled. A meeting with the State of Arizona Library & Archives will be held in the 2<sup>nd</sup> Quarter to discuss the opportunities available for document imaging. This information will drive the development of a Records Management Program. In addition, steps have been taken to address the opportunities for a paperless workflow environment. Communications have taken place with the CIO's office, OSAM, and OMB regarding these opportunities. A brief meeting was held with Materials Management to determine their involvement regarding the implementation of an electronic work flow. Materials Management was very receptive and will support our lead.

**Quarter 2:** Communications are on-going with the CIO, OMB and OSAM regarding the development of the program. Anticipate submitting a Board Agenda Item in February to request BOS approval to allow OMB to review the funding opportunities.

An on-site visit to an existing user of OSAM's Accounts Payable workflow module was attended by several individuals and an on-site demonstration was provided by OSAM for the Accounts Payable module.

**Quarter 3:** The Department of Finance received BOS approval for the Document Imaging funding and plan. A formal request was submitted to the ASLAPR for the authority to image records and destroy the originals.

**Quarter 4:** Phase one of the project was implemented on schedule and the DOF initiated the scanning of post payment Accounts Payable documents on July 1, 2006. ASLAPR approved the request to initiate the DOF imaging program.

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**FIN9:** *By June 2007, we will have defined all opportunities to utilize existing technology to transfer data between systems and eliminate unnecessary paper handling and data entry.*

**Quarter 1:** One of the first projects defined was to implement an electronic transfer of data from the Pitney Bowes to Advantage for the monthly postage activity and create Payment Documents in Advantage for this activity and generate payment to Pitney Bowes by Electronic Funds Transfer. We have been involved in weekly meetings with Facilities Management and others regarding this project and have met with the CIO's office to discuss the process, security and approval levels we need in place to create an automated PV in the Advantage System. We have initiated the testing of the electronic transfer



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of detailed accounting string information for the monthly postage activity from the Pitney Bowes PC to our network server for Advantage and generating an automated PV with an upload of this data. This process is similar to the P-card transaction currently in place. We have also initiated the process of making the payment for the monthly postage activity by Electronic Funds Transfer to Pitney Bowes. This business process change will eliminate the manual preparation of a JV to charge departments for their share of the costs and will eliminate the need for the Finance departments A/P approval process and the generation of a paper check.

**Quarter 2:** Continuing work was completed to set up the generation of payment to Pitney Bowes by Electronic Funds Transfer. The testing of the transfer of data electronically from the Pitney Bowes Postage Machine to the Advantage system was being conducted by the CIO's office. This process will be implemented at January, 2006 close.

**Quarter 3:** The Department of Finance, Sheriff's personnel and the CIO's Office has initiated the review of transferring data electronically to create payment documents. This is utilizing the same methodology defined for Pitney Bowes. This will eliminate the duplicate keying of information. In addition, the Department of Finance has initiated a strategy to utilize the current Advantage system more effectively. All departments will be required to enter payment information on-line and apply 1<sup>st</sup> and 2<sup>nd</sup> level approvals. The information will then be sent to the DOF – Accounts Payable department to have final review/audit/approval. Implementing this strategy will eliminate duplicate entry of payment information into Advantage and takes the County closer to creating a paperless environment.

**Quarter 4:** The DOF conducted on-line Accounts Payable training to approximately 100 county staff members. This training was conducted to support the initiative to utilize the Advantage financial system more effectively. Effective July 1, 2006, 95% of departments are now entering payments directly into Advantage eliminating duplicate data entry. This is the first step towards implementing a paperless system.

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**FIN10:** *In coordination with the Office of Management and Budget and the Office of the Chief Information Officer, we will develop a uniform reporting platform by June 2008, which will provide departments with the tool to manage, query, and report the information from the various data sources (COGNOS, Advantage, PeopleSoft and the MfR Database).*

**Quarter 1:** Discussions have been held with OMB on the monthly budget to actual reporting and a draft template has been developed. We are currently working on loading an adopted budget into Advantage in order to produce one of the three variance reports which we have jointly identified as reports for distribution. We have also implemented the loading of the calendarized budget every week into Advantage which will also be used as a part of the variance reporting.

We have produced a template for the Executive variance report and are fine tuning this report for presentation. We are reconciling this data from the Business Objects report back to the report that was previously produced as the "Preliminary" variance report.

**Quarter 2:** On going development of departmental variance reports has continued with a series of ten different reports that will be distributed to all departments for variance analysis. The roll out of this departmental report will be in phases and is to be completed by September 30, 2006. Meetings between OMB and Finance will be scheduled to plan for roll out and address technical issues and to develop time lines for implementation.

Finance has put together a strategy and objective to consider using Business Objects as a Countywide uniform reporting tool. This will be reviewed by the OMB and CIO's offices for consideration.



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**Quarter 3:** Continuing development of the Departmental Variance Report and Commentary Form is ongoing. Pilot roll out to three departments will occur in the 4<sup>th</sup> quarter. Full roll out to all departments will not occur until September 20, 2006.

**Quarter 4:** Discussions are on-going with CIO, OMB and the Department of Finance for possible solutions for an enterprise-wide reporting tool. The Departmental Variance Report is currently in the test phase and scheduled for full roll-out in September 2006. This was accomplished through Business Objects.

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**FIN11:** *By June 2008, we will have conducted a critical review of the current Advantage financial system (and sub-systems) and developed a comprehensive report defining the financial accounting and reporting needs for the County in preparation for a new financial system and to ensure optimal functionality.*

**Quarter 1:** We have not started on this project. However, during the 2<sup>nd</sup> quarter we have a few members of Maricopa County staff attending a CGI-AMS conference to begin accumulating information on the newest Advantage Financial System upgrade.

**Quarter 2:** Two representatives from Maricopa County attended the CGI-AMS conference in October. Analysis of the information obtained from the conference regarding an upgrade to the newest version of Advantage will be on going in the next quarter. The OCIO office will set up a meeting with the CGI-AMS representatives to discuss various issues related to upgrading to the latest version.

**Quarter 3:** The Department of Finance and a representative of the CIO's Office met to discuss the steps associated with defining stakeholder needs. The DOF will spearhead the development of a business case for presentation to management.

**Quarter 4:** The Department of Finance continues to meet with the CIO's Office to discuss the financial system requirements.

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**FIN12:** *By June 2007, we will ensure the effective management and reporting of grant funds in the County by implementing a new Grant Compliance Program consisting of a comprehensive business plan, hired and trained professional staff, MfR performance measures and an updated departmental Strategic Plan.*

**Quarter 1:** The Department of Finance has applied to participate in an ASU Consultation Program to help aid in the development of the business plan for the grant unit. In addition, we have hired the Grant Unit Supervisor, defined MfR performance measures and updated the departmental strategic plan.

**Quarter 2:** The DOF has completed the study with the ASU Student Consultant Team and in January 2006 will "go live" with Emergency Management as the first department to be visited by the Grant Unit. In addition, one of the three Financial Analysts has been hired and another Grant Forum was facilitated on December 1<sup>st</sup>, 2005.

**Quarter 3:** The Grant Unit began working with the Department of Emergency Management at the end of January, 2006; however the review was put on hold in order to meet the auditor deadlines for the FY 2005 Single Audit Report and Grant Revenue Confirmations. The Grant Unit has line up 3 additional departments for review: Public Health, Medical Examiner, and Air Quality. In addition two more Grant Forum's were facilitated on January 25, 2006 and March 29, 2006.

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**Quarter 4:** Due to the current salary rate for the two vacant Financial Analyst positions, the Grant Unit has had difficulty in filling these vacancies. Also, based on a review of all grant related tasks, it was determined that other grant related functions, in addition to compliance review, should be a part of the Grant Unit scope. The Grant Unit has performed some initial planning for compliance reviews and intends to begin in September 2006 with the review of two grant programs that combined consisted of \$10.2 million of FY 2005 expenditures. These two programs will be subject to audit by the Auditor General's Office in early 2007. During this quarter the Finance Manager resigned which slowed the progress of the unit.

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***FIN13:*** *By June 2008, we will have identified and implemented an automated notification process to ensure the effective marketing of available county owned surplus real estate.*

**Quarter 1:** Successfully marketed the public auction of the Rio Rico Property to over 140 real estate brokers, agents, investors and developers using the county's e-mail system to automate the notification process. The automated notification directed the potential bidders to the Real Estate page of the Department of Finance's web-site where all necessary forms for the auction were made available to potential bidders electronically.

**Quarter 2:** Prepared the main marketing documents for the upcoming public auction of two County-owned Justice Court facilities and loaded the documents into the Real Estate page of the Department of Finance web-site.

**Quarter 3:** Posted web-based information on the Department of Finance web-site for marketing of the Scottsdale Justice Court.

**Quarter 4:** Posted web-based information on the Department of Finance web-site for marketing of the Northwest Phoenix Justice Court property.